

AGENDA

HEMET – SAN JACINTO WATERMASTER BOARD OF DIRECTORS

November 27, 2017
4:00 pm
EMWD - Board Room
2270 Trumble Road, Perris, CA 92750

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

I. PUBLIC COMMENTS

Any person may address the Board on any subject within the Watermaster's jurisdiction which is not on the agenda. However, any non-agenda matter that requires action will be referred to staff for a report and action at a subsequent Board meeting. Any person may also address the Board on any agenda matter at the time that matter is discussed, prior to Board action.

II. ADDITIONS/DELETIONS TO THE AGENDA

III. REPORTS

The following agenda items are reports. They are placed on the agenda to provide information to the Board and public. There is no action called for in these items.

A. Board Member Comments/Questions/Reports

- Rules and Regulations Committee.
- Reserves and Investments Committee.

B. Advisor Report

C. Legal Counsel Report

D. Treasurer Report

IV. CONSENT CALENDAR

A. Approval of Minutes – May 22, 2017 Regular Board Meeting.

B. Approval of Minutes – August 28, 2017 Regular Board Meeting.

Recommendation: Adopt a motion to approve the Consent Calendar.

Consent Calendar items are expected to be routine and non-controversial and are to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it will be removed from the Consent Calendar for separate action.

V. ACTION ITEMS

The following items call for discussion and possible action by the Board. These items are placed on the Agenda so that the Board may discuss and possibly take action on the items if the Board desires.

- A. Consideration to Adopt 2018 Annual Budget - 2018 Budget presentation.
Recommendation: Adopt a motion to Approve Proposed 2018 Annual Budget and Authorize Advisor to initiate proposed activities and invoice participating agencies in accordance with the proposed payment schedule.
- B. Consideration to Adopt Resolution 9.3 RE Administrative Assessment for 2018 – Per Section 3.4.1 of the Stipulated Judgment, Watermaster shall set the Administrative Assessment for 2018.
Recommendation: Adopt a motion to Approve Resolution 9.3 setting the Administrative Assessment for 2018 at \$30 per acre-foot.
- C. Consideration to Adopt Resolution No. 8.1 RE Deferral of Setting Replenishment Assessment until February 2019 - Summary of the Resolution 8.1.
Recommendation: Adopt a motion to Approve Resolution 8.1 Deferring setting of the Replenishment Assessment until February 2019.
- D. Revised 2016 Carry-Over Credit Accounts – Presentation to summarize revisions to the Carry-Over Credit Accounts as of December 31, 2016.
Recommendation: Receive and File Revised Carry-over Credit Account Balances
- E. Consideration to Approve 2017 Water Resources Well Video Program Support Services Task Order with EMWD – Oral summary of the proposed Task Order.
Recommendation: Adopt a motion to approve EMWD Water Resources Monitoring Support Services Task Order Number 10 for an amount not-to-exceed \$60,000.

VI. INFORMATIONAL ITEMS/CORRESPONDENCE

- A. Status of the Soboba Imported Water Recharge - Presentation by EMWD, on the status of the Soboba Imported Water deliveries and recharge at the Grant Avenue and IRRP ponds.
- B. Future Agenda Items - If Board Members have items for consideration at a future Board Meeting, please state the agenda item to provide direction to the Advisor.

VII. CLOSED SESSION – NONE

VIII. ADJOURNMENT

Next Regular Board of Directors Meeting

February 26, 2018 at 4:00 pm at:
Eastern Municipal Water District Board Room
2270 Trumble Road, Perris, CA 92750

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans With Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such a request to the Watermaster Executive Assistant at 714-707-4787, at least 48 hours before the meeting, if possible.

Pursuant to Government Code Section 54957.5, any writing that (a) is a public record; (b) relates to an agenda item for an open session of a regular meeting of the Watermaster Board of Directors; and (c) is distributed less than 72 hours prior to that meeting, will be made available for public inspection at the time the writing is distributed to the Board of Directors. Any such writing will be available for public inspection at Watermaster's office located at 2270 Trumble Road, Perris, CA 92750.

Minutes
Hemet-San Jacinto Watermaster Board of Directors Meeting
Eastern Municipal Water District
August 28, 2017

The Watermaster Board of Directors met in Regular Session in the Board Room at EMWD Headquarters, 2270 Trumble Road, Perris, California, on *Monday, August 28, 2017*. The meeting was called to order by Chair Krupa at 4:00 p.m.

Board Members Present: Linda Krupa, Chair
Rick Hoffman, Vice-Chair
Phil Paule, Secretary/Treasurer
Andrew Kotyuk
Bruce, Scott, Board Member

Board Member(s) Absent:

Board Alternate (s) Present:

Watermaster Staff Present: Thomas Bunn, Legal Counsel (Lagerlof, Senecal, Gosney & Kruse)
Behrooz Mortazavi, Advisor (Water Resources Engineers)
Michelle Mayorga, Executive Assistant (Water Resources Engineers)

EMWD Staff Present: Paul Jones, General Manager
Joe Mouawad, Assistant General Manager of Planning, Engineering and Construction
Nick Kanetis, Deputy General Manager
Kelley Gage, Senior Director of Planning and Regulatory Compliance
Brian Powell, Director of Groundwater Management & Facilities Planning

City of Hemet Staff Present: Kris Jensen, Public Works Director

City of San Jacinto Staff Present: Dan Mudrovich, Utilities Superintendent
Steve Johnson, Consultant

Lake Hemet Staff Present: Tom Wagoner, General Manager

Others Present: Frank Coate, Soboba Tribe Representative
Michael Castello, Soboba Tribe Representative
Howard Tounget

Pledge of Allegiance

The Pledge of Allegiance to the Flag of the United States was led by Mr. Phil Paule. Ms. Mayorga conducted the roll call. All Board Members were present.

I. PUBLIC COMMENTS –*Speakers are requested to limit comments to 3 minutes.*

None

II. ADDITIONS/DELETIONS TO AGENDA

None

III. REPORTS

A. Board Members Comments/Questions/Reports

- Rules and Regulations Committee Report

Ms. Gage reported that the Committee had a meeting on June 26th to review comments received by the Advisor and Legal Counsel. They also reviewed the edited Professional Services Agreement for the Advisor and Legal Counsel. On August 4th, an email was sent out with the final draft version of the Rules and Regulations. No comments were received. The final version should be ready by the November 27, 2017 Board Meeting.

- Reserves and Investments Committee Report

Mr. Kotyuk and Mr. Hoffman both concurred that the Committee recommendations have been reviewed and approved by legal counsel and will be incorporated into the Rules and Regulations Report.

B. Advisor Report

Mr. Mortazavi reported on recent Watermaster Activities. Attachment 1 shows the complete Advisor Report.

Mr. Mortazavi reported that most of the coordination activities with EMWD has been related to the monitoring program data processing. EMWD has recharged over 11,000 AF of the Soboba Imported Water at the Integrated Recharge and Recovery Project (IRRP) and Grant Avenue Ponds sites. EMWD will provide more information under Item VI-C. There have been three conference calls to review the Technical aspects of the proposed EMWD Storage project between EMWD/Watermaster/Woodard Curran (formerly RMC). This project is jointly funded by EMWD and the Watermaster, and will provide information related to EMWD's proposed Santa Ana River Conservation and Conjunctive Use Project (SARCCUP). The information provided by this project will help to answer technical questions raised by the Technical Advisory Committee (TAC) and by the Soboba Tribe for the development of the Storage Agreement framework. This project is expected to be completed by the end of December 2017. Copies of the 2016 annual Report were distributed to TAC Members on August 14, 2017 and are being distributed to the Board Members at today's meeting.

The first set of 2017 Administrative Assessment Invoices for \$83,715.40 were mailed out on July 14, 2017. All payments have been received. The new Auditor's Contract (Engagement Letter) is on the Agenda for the Board's Action under Item V-A; and the Treasurer Report will be provided under Item III-D.

The Technical Advisory Committee (TAC) had one regular meeting on August 14, 2017. The discussion items at the meeting were: consideration to Adjust Production Rights starting May 2018; updated 2017 Annual Budget; status of the Soboba Imported Water Recharge; Soboba Groundwater Production outside the Management Area (Castille Well); status of the Draft Storage Agreement; and review of the August 28, 2018 Draft Watermaster Board Meeting Agenda. TAC suggested adding language to the Rules and Regulations document that can be used as trigger for modifying the Administrative Assessment rate when the reserve falls below a certain level. In addition, there was extensive discussion between the parties regarding the advance purchase of pre-delivered Soboba Imported Water that is expected to be delivered before January of 2018. EMWD is work with the other municipal parties to determine which agencies want to participate in this advance purchase.

There has not been any data sharing or meetings related to the Enhanced Groundwater Monitoring Project (EGMP). As Mr. Mortazavi has mentioned in the past, he would like the monitoring program and data collection to be more scientific. The goal is to use EGMP report recommendations plus results of the Well Casing Videos (new Task Order with EMWD – will be presented at the next Watermaster meeting) for the 2018 Monitoring Program Contract with EMWD. The database and mailing list cleanup for Class B Participants is an ongoing updating activity that Mr. Mortazavi has been working on. There are five new owners that have been identified, and letters have been sent to inform them about their right to join the Judgment if they desire. In addition, a letter was sent to one of the landowners requesting well information.

EMWD coordinated a kickoff meeting on June 29, 2017, with TAC members and the Soboba Tribe representatives to discuss technical issues related to the proposed EMWD Storage Project. The consultant (Woodward Curran) provided an overview of the project at this meeting. There will be addition meetings with this group to share the model results as the project is being developed.

Review of the recharge information at the Soboba Gravel Pit showed that dewatering of the Gravel Pit may not be necessary due to small volume of water remaining at the Gravel Pit. This finding caused removal of the Gravel Pit dewatering line-item from the 2017 Budget. Mr. Mortazavi met with the Chino Basin Watermaster to review potential joint interest activities in the region. He also met with the Western Riverside County Agriculture Coalition (WRCAC) Coordinator to review common activities of interest in the area. The Law Seminars International has asked for a presentation at their October Conference to discuss the recharge activities in the Management area. The attendees of this conference are mostly attorneys dealing with water rights issues.

EMWD has prepared a draft Storage Agreement. Mr. Mortazavi has provided comments to Mr. Bunn who will be leading the review and finalizing this agreement on the Watermaster's behalf. He has also provided comments to Legal Counsel on the Draft Revised Rules and Regulations document that was prepare by EMWD on behalf of the Rules and Regulations Committee. Comments have also been provided on EMWD's Draft Advisor Agreement to Mr. Bunn. There are two new landowners that have hired attorneys and are considering the possibility of joining as a participating party to the Judgement. Mr. Bunn and Mr. Mortazavi are working jointly on this effort. EMWD has completed the drilling of Well 37 (Well 14 Replacement). They have also completed the drilling of 18 boreholes at the proposed Mountain Avenue West recharge site as part of their site investigation and they anticipate their production from the Canyon basin for 2017 to be about 2,000 AF.

LHMWD has completed casing of their Well 18 (well 8 replacement) and they are considering a water rate increase for local agricultural water uses and on domestic water for their Garner Valley portion of the District. The City of Hemet is in the process of re-drilling their Well 10. They are expecting to initiate their new Conservation Rate Structure by March of 2018. A summary of the State's water resources conditions as of July 31, 2017 (prepared as part of the MWD General Manager's August 2017 Report to MWD Board) is attached.

Mr. Hoffman asked if there is an agency who prepares a similar report on the State water storage at Lake Shasta? Mr. Mortazavi is not aware of any similar reports for Lake Shasta. He explained that Lake Shasta is part of a Federal water management system (the Central Valley Project) and not used by Department of Water Resources.

Mr. Scott wanted clarification on the non-participants in the management area and if State was going to require something from them as part of the Sustainable Groundwater Management Act (SGMA) requirements? Mr. Bunn stated that there have been several conversations with the Department of Water Resources on this issue. The State position is that the Act completely excludes the adjudicated areas from SGMA requirements. Mr. Scott also wanted to report that there is a local producer that is very concerned that there seems to be a large number of small wells being drilled in the area. His concern is that these unidentified wells, which are not a part of the Watermaster judgment, could cause basin contamination by unfamiliar farmers who may not have backflow devices. Mr. Mortazavi explained that the Watermaster does not have any regulatory authority over the drilling or permitting. The county is the agency responsible for drilling permits.

C. Legal Counsel Report

Mr. Bunn informed everyone that the Annual Report will be filed with the Court and electronic copies are also provided to all the pumpers. Mr. Bunn also wanted to comment on one of the new owners who had the potential for intervening under the judgment. At the last board meeting it was reported this new owner had the opportunity to become a Class B participant in 2016 and they did not do so. However, now they have taken a formal action to discuss the matter with the Watermaster. There is no deadline under the Judgment for intervening, and it is Mr. Bunn opinion that the Watermaster should encourage participants to become part of the Judgment. Mr. Bunn is working with Mr. Shoaf, who is the attorney for this new landowner. Mr. Bunn also commented that the last intervention was very complicated, so he is working with Mr. Shoaf to simplify the intervention process.

D. Treasurer Report

Mr. Paule and Mr. Mortazavi reviewed the Treasurer Report with the Board. Attachment 2 shows the complete Treasurer Report.

Mr. Mortazavi also reviewed the pending payments and receivables. The Treasurer report at the next Board meeting will not show the 2016 budget status, because all activities related to the 2016 budget have been completed.

IV. CONSENT CALENDAR

Accept Motion for approval of Consent Calendar

A. Approval of Meeting Minutes – May 22, 2017 Regular Board Meeting

Recommendation: Adopt a motion to approval Item A on the Consent Calendar.

Motion: Hoffman
Seconded: Paule
Ayes:

Noes:
Abstain: Krupa, Kotyuk, Scott
Absent:

This Item was not Approved and will be presented again at the November 27, 2017 Board Meeting for Approval.

Attachment 3 shows a copy of the May 22, 2017 Board Meeting Minutes.

V. ACTION ITEMS

A. Consideration to Approve Financial Audit Contract for 2017 – 2019 with CliftonLarsonAllenLLP.

Mr. Kotyuk motioned to approve prior to Mr. Mortazavi making his presentation. Mr. Bunn suggested that this item be approved pending language clarification with regard to Minnesota Law vs. California Law.

Attachment 4 shows complete Presentation.

Recommendation: Adopt a motion to approve a three-year contract with CliftonLarsonAllen LLP for an amount not-to-exceed\$15,000.

Motion: Kotyuk
Seconded: Hoffman
Ayes: Krupa, Paule, Scott

Noes:
Abstain:
Absent:

Motion Passes Unanimously

B. Consideration to Adjust Production Rights for Public Agencies Starting May 2018

Mr. Mortazavi reviewed the Stipulated Judgment related to the Adjusted Production Rights reduction. The Board is the authority for dealing with the overdraft. The water levels in the management area are dropping, even though the productions have been reduced. The drought definitely has had an impact on the overdraft. and Mr. Mortazavi is suggesting for the Board to wait at the present time, and see how the basins will recover in the next several years before deciding on changing the adjusted production rights beyond what Judgment has allowed. Mr. Mortazavi reviewed the Annual Base Production Rights of all the Agencies, and Adjusted Base Productions in the first 6 years. During the first year after the Judgement implementation the Agencies had to reduce their production by 10%. For the following years, the Watermaster Board

wanted to implement a constant reduction. So, it decided to reduce public agencies' production by 7% for the first five years. For the sixth year, the reduction will be set at 7.2% to achieve the 10,000 AF goal set in the Judgment. Mr. Mortazavi reviewed each agency's Adjusted Base Production for each of the first six years of the Judgment. It is Mr. Mortazavi's recommendation that the Board considers approval of Resolution 1.3, reducing the Adjusted Base Production for Public Agencies by 7.2% starting May 1, 2018.

Attachment 5 shows complete Presentation.

Recommendation: Adopt a motion approve Resolution 1.3 reducing the Adjusted Base production for Public agencies by Seven and two tenth Percent (7.2%) starting May 1, 2018.

Motion: Hoffman
Seconded: Kotyuk
Ayes: Krupa, Paule, Scott

Noes:
Abstain:
Absent:

Motion Passes Unanimously

VI. INFORMATIONAL ITEMS/CORRESPONDENCE

A. Updated 2017 Annual Budget

Mr. Mortazavi has updated the budget based on the changes that have taken place between January 2017 and August 2017.

The original Administrative Assessment estimate was \$610,851 based on the 2015 and 2016 productions, and the original 2017 budget was estimated at \$805,070. The Administrative Assessment estimate for 2017 is updated to \$518,059, based on the 2016 and 2017 production data, and the updated 2017 Budget is estimated to be \$720,970. This difference will create a shortfall of \$202,911. The 2017 Assessment payment schedule is the same as before, with 25% of estimated total invoiced on July 14, 2017; 50% of estimated total will be invoiced by October 15, 2017; and the remaining balance will be reconciled and invoiced by March 1, 2018.

Attachment 6 shows complete presentation.

B. Draft 2018 Annual Budget

The Draft Rules and Regulation document requires the Advisor to present the Draft Annual Budget at a workshop in September prior to the November Board meetings for budget approval. Mr. Mortazavi is presenting the Draft 2018 Annual Budget today, and if the Board accepts this presentation in lieu of the Annual Budget Workshop, then he will not setup an extra meeting for the Board Workshop.

Mr. Mortazavi presented the Draft 2018 Annual Budget. This included the Budget assumptions; estimated Administrative Assessments; estimated Replenishment Assessments; and In-lieu agreement estimates. He also reviewed details of each line item on the budget to clarify the background and justification for each item. Some of the estimates shared at the meeting may be updated before the November Board Meeting if more updated data is obtained. The total Draft Budget for 2018 is estimated at \$657,570 and the estimated Administrative Assessments are estimated at \$508,970. The difference between the estimated budget and expected revenues from the assessments will cause a shortfall of approximately \$148,600 in 2018. No new projects are scheduled for 2018 at this time, unless TAC requests a new study or project to be done. The proposed assessment invoicing schedule for 2018 is: 25% of estimated total by July 15, 2018; 50%

of estimated total by October 15, 2018, and the reconciled balance will be invoiced by March 1, 2019. Any 2018 Replenishment Assessment invoicing (if required – for 2017 excessive production) will be done by May 1, 2018.

Mr. Mortazavi recommends continuing setting the Administrative Assessments at \$30/acre-foot for 2018; even though this will cause more withdrawal from the reserve funds during 2018.

Mr. Paule asked how far in advance can you tell if the Dewatering project will be needed? Mr. Mortazavi answered that usually by June or July of each year we will know the extent of water being ponded in the Soboba Gravel Pit, and the need for a dewatering project.

Mr. Hoffman (Reserves and Investments Committee member) commented that having one million dollars in Reserve Funds was more of a goal and not a specific set number. He does not see the urgency to change the Administrative Assessment rate to stay at the one million dollars limit. The reserve fund should probably be reviewed next year. At this time, Mr. Hoffman does not see a need to change the Administrative Assessment rate.

Ms. Krupa asked if recommendation from the Reserves and Investments Committee is to consider the one million dollars Reserve Funds as a general guideline or that if it falls below a certain amount, the Board should look at increasing Administrative Assessments? Mr. Kotyuk (Reserves and Investments Committee member) said that with the point made about future revenues increasing in 2019, he believes there is adequate funds in the Reserve Funds to hold steady with the current policy. He is comfortable leaving the Administrative Assessment rate at its current level. Mr. Bunn commented that it is conceivable that this will need to be incurred during the course of the year, but it doesn't sound very likely based on the proposed Draft Budget. The Reserve Funds will reduce but the budget will also be re-evaluated next year.

Mr. Mortazavi asked if this presentation meets the needs of the Board as the requested Budget Workshop in the Draft Rules and Regulations document. Ms. Krupa said it did.

Attachment 7 shows complete presentation.

C. Status of the Soboba Imported Water Recharge

Mr. Powell made a presentation on the status of the Soboba Imported Water deliveries and river flow diversions. The Soboba Imported Water recharge as of 8/20/17 is at 3,008 AF, and 8,387 AF at Grant Avenue and IRRP ponds, respectively. For calendar year 2017, EMWD has set a goal of 20,000 AF for recharge of the Soboba Imported Water at these ponds. Mr. Powell presented the Grant Avenue ponds recharge, river flow diversions and water levels chart for 11/1/16 to 6/30/17 showing groundwater elevations starting to increase in the wells as more water is recharged at the ponds. Because Canyon is a smaller, narrower basin, it reacts more quickly to recharge of rainfall, river flows and also recharge water. The Upper Pressure basin, where IRRP ponds are located, is a large groundwater basin and includes most of EMWD wells. This basin is not responding to rainfall and recharge as quickly as the Canyon Basin. Mr. Scott stated that EMWD is extracting groundwater, but to meet its demands, they also import water to the management area. Mr. Mortazavi stated with the EMWD goal of 20,000 AF recharge, and MWD obligation for past deliveries of approximately 6,000 AF, plus delivery of 7,500 AF to meet this year's obligations. The parties should expect about 7,000 AF of pre-delivered Soboba Imported Water by MWD during 2017. This amount is close to the total of MWD's 7,500 AF delivery obligation for 2018. He also noted that the parties should consider that MWD imported water deliveries most likely will continue in early 2018 and will build up MWD's pre-delivered account.

Attachment 8 shows complete presentation.

D. Future Agenda Items

None - Board Members did not request any specific agenda items for the next Board meeting.

VII. CLOSED SESSION

None

VIII. ADJOURNMENT

There being no further business to come before the Board; Chair Krupa adjourned the meeting at 5:23 p.m., to be reconvened on Monday November 27, 2017 at 4:00 p.m. (Adjourned Regular Meeting).

Minutes
Hemet-San Jacinto Watermaster Board of Directors Meeting
Eastern Municipal Water District
May 22, 2017

The Watermaster Board of Directors met in Regular Session in the Board Room at EMWD Headquarters, 2270 Trumble Road, Perris, California, on *Monday, May 22, 2017*. The meeting was called to order by Vice-Chair Hoffman at 4:05 p.m.

Board Members Present:	Rick Hoffman, Vice-Chair Phil Paule, Secretary/Treasurer
Board Member(s) Absent:	Linda Krupa, Andrew Kotyuk, Bruce Scott
Board Alternate (s) Present:	Steve Pastor Scott Miller
Watermaster Staff Present:	Thomas Bunn, Legal Counsel (Lagerlof, Senecal, Gosney & Kruse) Behrooz Mortazavi, Advisor (Water Resources Engineers) Michelle Mayorga, Executive Assistant (Water Resources Engineers)
EMWD Staff Present:	Joe Mouawad, Assistant General Manager of Planning, Engineering and Construction Nick Kanetis, Deputy General Manager Brian Powell, Director of Groundwater Management & Facilities Planning Marc Serna, Director of Engineering Mike Nusser, Water Resources Planning Manager
City of Hemet Staff Present:	Kris Jensen, Public Works Director
City of San Jacinto Staff Present:	Dan Mudrovich, Utilities Superintendent Steve Johnson, Consultant
Lake Hemet Staff Present:	Mike Gow, Assistant General Manager

Pledge of Allegiance

The Pledge of Allegiance to the Flag of the United States was led by Mr. Rick Hoffman. Ms. Mayorga conducted the roll call. Mr. Hoffman, Mr. Paule and Mr. Scott were present. Ms. Krupa was not in attendance and Mr. Kotyuk's alternate, Mr. Miller was present. Mr. Bruce Scott's alternate, Steve Pastor was present.

I. PUBLIC COMMENTS –*Speakers are requested to limit comments to 3 minutes.*

None

II. ADDITIONS/DELETIONS TO AGENDA

None

III. REPORTS

A. Board Members Comments/Questions/Reports

- Rules and Regulations Committee Report

None

- Reserves and Investments Committee Report

None

B. Advisor Report

Mr. Mortazavi reported on recent Watermaster Activities. Attachment 1 shows the complete Advisor Report.

Mr. Mortazavi reported that most of the coordination activities with EMWD has been related to the monitoring program data processing. EMWD has recharged over 5,000 AF of the Soboba Imported Water in the Integrated Recharge and Recovery Project (IRRP) and Grant Avenue Ponds. EMWD will provide more information on this topic under Item VI-E. There have not been any meetings related to the proposed EMWD storage program and RMC (consultants that developed the groundwater model and the Management Plan) contract. The storage program evaluation project is jointly funded by EMWD and the Watermaster, and will provide information related to the EMWD's proposed Santa Ana River Conservation and Conjunctive Use Project (SARCCUP). The information provided by this project will help answer questions raised by The Technical Advisory Committee (TAC) and Soboba in the development of the Storage Agreement framework.

The third set of invoices for the 2016 Administrative Assessments were mailed out on April 14, 2017. Total 2016 Administrative Assessments will be \$459,109.72 (after receiving LHMWD's payment). The first set of 2017 Administrative Assessment invoices will be mailed out in Mid-July.

Copies of the 2016 Financial Audit Report were distributed to the TAC Members on May 8th, and are distributed to the Board Members at today's meeting. The Treasurer Report is provided under Item III-D.

TAC had one regular meeting on May 8, 2017, and discussion items at the meeting were:

- Status of the DWR Reporting – Item VI-A;
- Status of the Canyon Operating Plan – Item VI-C;
- 2016 Carry-Over Credit Accounts – Item V-D;
- Updated Information on the 2016 Annual Report – Item VI-D;
- Status of the Soboba Imported Water Recharge – Item VI-E;
- Consideration to Adjust Production Rights Starting May 2018 (to be presented at the August meeting);
- Soboba Gravel Pit Dewatering Planning – Item V-E;
- Soboba Groundwater Production Outside the Management Area;
- Status of the Draft Storage Agreement; and
- Review of the May 22, 2017, Watermaster Board meeting agenda.

There has not been any data sharing or meeting related to the Enhanced Groundwater Monitoring Project (EGMP). The EGMP recommendations and results of the Well Casing Videos (new Task Order with EMWD – will be presented at the next Watermaster meeting) will be used for the 2018 Monitoring Program Contract with EMWD. Database and mailing list cleanup for Class B participants is an ongoing activity. The 2016 Financial Audit is finalized by the Squarmilner LLP. The Auditors did not identify any issues for correction or further action. Copies of the Audit Report

are distributed to the Board, and will be included in the 2016 Annual Report as required by the Judgment. This was the last year of the Squarmilner LLP contract, and a new contract is needed for the 2017 Audit. Data and information related to the Sustainable Groundwater Management Act (SGMA) was provided to the Department of Water Resources on March 30, 2017. More information will be provided later today under Item VI-A. There was a Court Status Conference on March 22, 2017, related to the Cordero Family Trust et. al., and Mr. Bunn will provide information related to this under Item III-C (Legal Counsel Report).

Mr. Vandam (one of the Class B Participants) responded to Mr. Mortazavi's request and has confirmed the source of supply for one of the parcels in the management area. The 2016 Annual Report will be finalized after correcting one of the tables in the report. This correction will be discussed under Item VI-D. Hard copies of the report will be provided to TAC and Board Members at the August meetings.

The Watermaster Ad-hoc Committee (Ms. Krupa and Mr. Scott) met with the Soboba Tribal Council on May 3, 2017. A copy of the agenda items discussed at that meeting is attached to this report. The Department of Interior and Office of Management and Budget (OMB) has initiated an evaluation of the benefits of the Indian Settlements to the Congress. On March 8, 2017, Mr. Mortazavi met with the OMB consultant (Highland Economics) per their request, and provided information on how Soboba Settlement requirements integrate with the Judgment.

Mr. Mortazavi had a conference call with State Water Resources Control Board (SWRCB) Staff, per their request. SWRCB is interested in receiving feedback on how SGMA should deal with stranded fringe areas that may not be included in the Groundwater Sustainability Plans.

- A summary of State's water resources conditions (prepared as part of the MWD General Manager's May 2017 Report to MWD Board) is attached.
- LHMWD Well No. 17 has poor water quality, and the District is trying to isolate the poor water quality zone in this well. The District is also trying to resolve alignment and caving issues at Well No. 8.
- The Joint Agreement between Riverside County Flood Control and Water Conservation District (RCFCWCD) and LHMWD for the Bautista Pond Expansion Project is signed by the LHMWD Board of Directors. This project is using Prop 84 grant funding which requires the project be constructed and in operation by December 31, 2022. LHMWD Staff expect the project be completed long before the December 2022 deadline.
- EMWD Well No. 37 (Well No. 14 replacement) is being drilled outside the riverbed. Old Well No. 14 (which is inside the riverbed) will be used as a monitoring well. Also, EMWD Well No. 91 is being rehabbed.
- EMWD has started a public outreach program for its Groundwater Reliability Plus program.
- The Final Design work for the EMWD's Enhanced Recharge and Recovery Program (ERRP) has been awarded to Dudek Engineering Consultants.
- The City of Hemet is re-drilling their Well No. 10.
- The City of Hemet expects to initiate their Conservation Rate Structure by December 2017.
- The City of San Jacinto expects implementation of its Conservation Rate Structure be completed by June of 2018.

- The City of San Jacinto is rehabbing its Grand Well, and is looking at purchasing an existing well located at the Upper Pressure Basin.

Mr. Miller requested a copy of the Water Supply conditions from the MWD General Manager Report be provided to him.

C. Legal Counsel Report

Mr. Bunn reported that he had court status conference on March 22, 2017. This is because when a party intervenes in the lawsuit, the court handles it as a new lawsuit and as such, the court has a status conference update to see how things are going, if the parties are ready for trial, and to see if there is anything that the judge needs to decide on before the trial. The attorney of the new property owner attempted to call the court and communicate that this update was not necessary, however the Court proceeded with this status conference update. Mr. Bunn explained to the court that there was nothing more that needed to happen with this lawsuit. Since the new owner is considered a party to the lawsuit, and treated like any other water rights holder in the Judgment. The Watermaster was not notified of this status conference update date because the Watermaster is not considered a party to the lawsuit. The judge directed her staff to make sure and add the Watermaster to the service list, so that the Watermaster is notified of any upcoming notices related to the Judgment. EMWD is moving forward with plans under SARCUUP to put water into the basin for conjunctive use and banking. When any party stores water in the basin, a storage agreement with the Watermaster is required. Currently a storage agreement template is being put together that can be used not only for the EMWD project but also any futures projects that might need a storage agreement.

D. Treasurer Report

Mr. Paule and Mr. Mortazavi reviewed the Treasurer Report with the Board. Attachment 2 shows the complete Treasurer Report.

Mr. Mortazavi also reviewed the pending payments and receivables. The Treasurer report continues to show the 2016 budget status, because there are still some activities related to the 2016 budget, that have not yet been completed.

IV. CONSENT CALENDAR

Accept Motion for approval of Consent Calendar

A. Approval of Meeting Minutes – February 27, 2017 Regular Board Meeting

Recommendation: Adopt a motion to approval Item A on the Consent Calendar.

Motion: Pastor

Noes:

Seconded: Paule

Abstain:

Ayes: Hoffman, Miller

Absent:

Motion Passes Unanimously

Attachment 3 shows a copy of the February 27, 2017 Board Meeting Minutes.

V. ACTION ITEMS

A. Consideration to Adopt Resolution 1.4 Changing the Regular Meeting time to 4:00 p.m. and permitting Temporary Changes

Mr. Mortazavi explained that at the previous Board Meeting, the Board requested the time for the Board Meetings to change from 3:00 p.m. to 4:00 p.m. to better accommodate Board Members' schedules.

Attachment 4 shows a copy of Resolution 1.4.

Recommendation: Adopt a motion to approve Resolution 1.4.

Motion: Paule

Noes:

Seconded: Miller

Abstain:

Ayes: Hoffman, Pastor

Absent:

Motion Passes Unanimously

B. 2016 Financial Audit

Mr. Mortazavi noted that the auditors report showed no deficiencies in the Watermaster's accounting for 2016. It was explained that Custodial Credit Risks and cash balances held at the Bank of Hemet are insured up to 110% of the total amount deposited by any Public Agency. The auditors reported that, as of December 31, 2016, zero dollars of the Watermasters funds were exposed to Custodial Credit Risk. One action that was not recommended by the Auditors but has been taken, is the addition of Positive Pay to the Watermaster accounts at the Bank of Hemet. This means that every time Watermaster writes a check, we inform the bank with a list of who the check is written to, the amount of the check, and the check number. If this information does not correspond with the check being deposited by the recipient, the bank will automatically return the check without payment.

Recommendation: Adopt a motion to receive and submit the 2016 Financial Audit Report as part of the Watermaster 2016 Annual Report to the Court.

Motion: Paule

Noes:

Seconded: Miller

Abstain:

Ayes: Hoffman, Pastor

Absent:

Motion Passes Unanimously

C. Consideration to approve 2017 Water Resources Monitoring Program Support Services Task Order 9 with EMWD

Mr. Mortazavi clarified that the Water Resources Monitoring Program Support is a yearly contract with EMWD to provide the information necessary for a comprehensive view of the groundwater management zones and includes: groundwater extraction monitoring; groundwater level monitoring; water quality monitoring; inactive well capping & sealing; meter installation, repair & replacement; and data management, documentation and reporting. The funding for this effort is included in the 2017 Watermaster Budget.

Attachment 5 shows a Task Order No. 9.

Recommendation: Adopt a motion to approve EMWD Water Resources Monitoring Support Services Task Order Number 9 for an amount not-to-exceed \$156,128.

Motion: Paule

Noes:

Seconded: Miller

Abstain:

Ayes: Hoffman, Pastor

Absent:

Motion Passes Unanimously

D. 2016 Carry-Over Credit Accounts

Mr. Mortazavi presented key information related to the Carry-Over accounts. At the end of 2015, there was approximately 32,075 AF of Carry – Over that can be pumped without Replenishment Assessments. The Carry – Over Accounts that were reported last year did not include the Soboba Golf Course Wells. This needed to be corrected going back to 2012 which changed the Unused Soboba Imported water amounts for each public agency. At the beginning of 2016, Metropolitan Water District (MWD) had 11,207 AF of Soboba Imported water obligation that was not delivered because of the drought. During 2016, MWD delivered their 7,500 AF obligation plus 5,156 AF of their previous obligations. Overall in 2016, MWD delivered approximately 12,600 AF of Soboba Imported water for recharge. Soboba Tribe produced 1,668 AF during 2016. Since Soboba production was over the 1,500 AF by 168 AF; 168 AF was deducted from the 7,500 AF recharged water, leaving a balance of 7,331 AF which is credited to the public agencies. Class B Participates Carry-Over credits were also reviewed as part of this presentation. Mr. Mortazavi pointed out that he is not tracking Class A Participants productions any more. Mr. Bunn clarified that Class A Participants' productions do not need to be tracked, because only Class B Participants have quantified water rights and therefore they are the only participants who get Carry- Over Credits.

Attachment 6 shows complete presentation.

Recommendation: Receive and File Carry-Over Credit Account Balances.

Motion: Miller

Noes:

Seconded: Pastor

Abstain:

Ayes: Hoffman, Paule

Absent:

Motion Passes Unanimously

E. Gravel Pit Dewatering Project

Mr. Mortazavi explained that the Gravel Pit is full of water and it is percolating. The Soboba Tribe monitors the percolation and recently, it has been percolating at approximately 0.2 inches per day. The criteria is that once the percolation reduces to 0.1 inches per day, the dewatering project starts and we will start pumping the remaining water out of the gravel pit. Mr. Mortazavi would like authorization to negotiate the cost sharing agreement with the Soboba Tribe and EMWD, who provide the resources to accomplish this task, if the criteria is reached before the next Board meeting in August. The dewatering project is included in the 2017 budget.

Recommendation: Appropriate \$57,600 from the 2017 Budget for the Gravel Pit Dewatering Project, authorize the Advisor to negotiate a cost sharing agreement with the Soboba Tribe, and

execute any necessary agreement(s) for the dewatering project in an amount not-to-exceed \$57,600.

Motion: Pastor
Seconded: Miller
Ayes: Hoffman, Paule

Noes:
Abstain:
Absent:

Motion Passes Unanimously

Mr. Miller had to leave the Board Meeting due to a prior commitment. (4:50 PM)

VI. INFORMATIONAL ITEMS/CORRESPONDENCE

A. Status of the Department of Water Resources Reporting Under Water Code 10720

Mr. Mortazavi reviewed Status of the Department of Water Resources (DWR) Reporting under Water Code 10720. All Watermasters are required to provide information to DWR on or before April 1st of each year. The following information is required: Groundwater Elevation data; Aggerated Groundwater Extraction Data; Surface Water Supply Data; Total Water Use Data; Change in Groundwater Storage; and The Annual Report.

Groundwater Elevation Data is submitted to DWR by EMWD as part of the Watermaster Monitoring Program and California Statewide Groundwater Elevation Monitoring (CASGEM) Program. The Aggregated Groundwater Extraction Data is reported in two different formats. The extraction data by method collection (metered wells and estimated productions). The second format defines the Water Use Sector (urban use, Ag use, and Other (Soboba Tribe) use). Surface water is reported by Local Surface Water and State Water Project. Total Water Use Data is reported by Sector and Source. Change in Groundwater Storage is also estimated and reported. The 2016 Annual Report is not yet finalized. Mr. Mortazavi has provided DWR the previous year's Annual Report and will file the 2016 Annual Report in a few months when the report is finalized.

Mr. Hoffman is concerned that DWR shows the imported water for recharge as a use within the basin. Mr. Mortazavi concurred, and explained that he and other Watermasters have this same concern and have discussed it with DWR.

Attachment 7 shows complete presentation.

B. Insurance Agreement with Edgewood Partners Insurance Center

The Watermaster insurance Information regarding the current insurance policy was reviewed. The Watermaster currently pays \$3,102 per year for the Board Members Liability Insurance.

Attachment 8 is a copy of the current Insurance Binder.

C. Status of the Canyon Operating Plan

Mr. Nusser made a presentation on the Canyon Operating Plan. In 2014, the Soboba Tribe, LHMWD and EMWD developed a plan for the management of the Canyon Basin which deals with the combined productions by the three entities from the Canyon Basin. Part of the plan involves use of storage curves applied to individual key wells, one for each agency and every year, to determine the amount of water in groundwater storage. Static Water Levels are measured in key wells around April 1st of each year. The three key wells are Soboba DW-03, EMWD Cienega 03,

and LHMWD 16. As of April 1, 2016, the weighted average estimated storage was 194,377 AF. This put the basin in a Critical status where EMWD and LHMWD were not allowed to pump water from the Canyon basin. The Static water levels measured in key wells on April 4, 2017, estimated the groundwater storage to be 198,646 AF which changed basin status from Critical to Near Critical, which allows for some production. EMWD pumped 1,000 AF and LHMWD pumped 2,000 AF in 2016, which would be off-set by imported recharge at Grant Avenue Ponds, so that there would be not net pumping by the agencies. The change in groundwater elevation at the key wells between 2016 and 2017 has been positive because of all the river flow and the recharge at the gravel pit. The projections for next year, show a Critical status for 2018 which will mean another no net pumping for EMWD and LHMWD.

Mr. Pastor asked, have there been any estimates as to how much more water will be required to meet the demands of the new proposed casino? Mr. Mouawad said EMWD has not received that information. Mr. Hoffman asked if any of the MWD deliveries for Soboba Imported water is recharged at the Grant venue Ponds? Mr. Nusser said EMWD plans to recharge 3,500 AF of Soboba Imported water at the Grant Avenue Ponds this year.

Attachment 9 shows complete presentation.

D. Updated Information on the 2016 Annual Report

Mr. Mortazavi said that the Board approved the 2016 Annual Report at the last Board Meeting. However, he wanted to inform the Board on additional changes to the report since the last Board meeting. Table 7-8: Class B Participants Carry-Over Credits as of December 31, 2016 has been updated to include Gh Dairy as the new owner. They are required to intervene if they want to become a Party to the Judgement. A letter was sent to the new owner on April 21, 2017 requesting them to respond by May 15, 2017. No response was received, so Gh Dairy was removed from Table 7-8 of the 2016 Annual report, and their production will be considered as a Non-participant production.

Attachment 10 shows complete presentation.

E. Status of the Soboba Imported Water Recharge

Mr. Nusser made a presentation on the Soboba Recharge & River Diversions. He reviewed the maps of the IRRP and Grant Ponds. Currently at the IRRP North Lateral there is ongoing maintenance and configuration. There has always been a problem with percolation at these ponds and EMWD is trying to reconfigure these ponds to increase the recharge rate at these ponds. The South Lateral is due for maintenance. As soon as the maintenance is done on the North Lateral, EMWD will begin maintenance on the South Lateral. Most of the river runoff damage was at Grant Avenue ponds. All the damage except for the berm breach at the south end of the ponds, have been repaired. The river flow ceases yesterday and EMWD is no longer diverting water. The Soboba Recharge to date for 2017 is 5,278.60 AF and the goal for 2017 is 20,020 AF. The Grant Avenue ponds diversion from 11/1/16 to 5/21/17 is 3,149.63 AF. The maximum diversion permit limit at this location of 5,760 AF. Mr. Nusser is monitoring change in groundwater in the vicinity of IRRP ponds. He will continue to monitor the water levels to determine the correlation between the recharge amount and the groundwater levels. Mr. Hoffman asked if MWD has indicted how long they will continue to deliver Soboba Imported water? Mr. Nusser said that MWD has indicated that they would like to recharge the 6,000 AF shortfall from previous years.

Attachment 11 shows complete presentation.

F. Future Agenda Items

None - Board Members did not request any specific agenda items for the next Board meeting.

VII. CLOSED SESSION

None

VIII. ADJOURNMENT

There being no further business to come before the Board; Vice-Chair Hoffman adjourned the meeting at 5:20 p.m., to be reconvened on Monday August 28, 2017 at 4:00 p.m. (Adjourned Regular Meeting).



1295 Corona Pointe Court, Suite 104, Corona CA 92879 • Telephone: (714) 707-4787

Watermaster Board

To: Hemet-San Jacinto Watermaster Board of Directors

Chair

Linda Krupa

From: Board Treasurer

Vice-Chair

Rick Hoffman

Date: November 27, 2017

Secretary-Treasurer

Philip E. Paule

The Board Treasurer has reviewed and approved the following account information:

Board Members

Andrew Kotyuk
Bruce Scott

Board Alternates

Russ Brown
Todd Foutz
Scott Miller
Steven A. Pastor
Randy A. Record

Advisor

Behrooz Mortazavi

Legal Counsel

Lagerlof, Senecal,
Gosney & Kruse

Total Cash and Investments as of July 31, 2017		\$ 1,129,173.12
Revenues for August 1, 2017 – October 31, 2017:		
City of Hemet	\$20,484.92	
LHMWD (9/20/17)	<u>\$53,579.90</u>	
Total Received		\$74,064.82
Payments for August 1, 2017 – October 31, 2017:		
Water Resources Engineers (8/21, 9/5 & 10/2/17)	\$ 42,631.30	
L, S, G &K (8/30/17)	\$ 720.00	
EMWD (8/8/17 & 9/1/17)	\$ 42,052.90	
Bell Bookkeeping (8/9, 9/5 & 10/04/17)	<u>\$ 750.00</u>	
Total Payments		\$86,154.20
Cash Flow for August 1, 2017 – October 31, 2017:		(\$12,089.38)
Other Income/Expense for August 1, 2017 – October 31, 2017:		
Savings Interest	\$ 363.45	
Other Expense/Fees	<u>\$ 0.00</u>	
Total Other Income/Expense		\$363.45
Total Cash and Investments as of October 31, 2017		\$ 1,117,447.19

<i>Pending Receivables:</i>		
City of Hemet	\$ 40,969.83	
City of San Jacinto	\$18,855.00	
EMWD	\$92,570.24	
LHMWD	<u>\$107,159.79</u>	
<i>Total Pending Receivables</i>		\$259,554.86
<i>Pending Payments:</i>		
L, S, G & K (914 & 10/06/17)	\$ 2,790.00	
Water Resources Engineers (10/05/17)	\$ 13,236.69	
Bell Bookkeeping (9/29 & 10/31/17)	<u>\$ 500.00</u>	
<i>Total Pending Payments</i>		\$ 16,526.69

2017 Budget Items	Allocations	Revised Budget (Aug 28, 2017)	Commitments (As of Oct 31, 2017)
In-Lieu Program Agreement	\$ 189,000	\$ 189,000	
EMWD/Watermaster Support Services			
Groundwater Monitoring Program	\$ 156,220	\$ 156,220	\$ 31,795.81
Video Inspection of Well Casings	\$ 60,000	\$ 60,000	
Soboba Gravel Pit Project			
Dewatering	\$ 57,600	\$ -	
Organization Operation & Management			
Financial Support Services	\$ 10,500	\$ 9,000	\$ 2,000.00
Legal Counsel Contract	\$ 35,000	\$ 30,000	\$ 12,206.00
Advisor Contract	\$ 170,000	\$ 165,000	\$123,734.67
Administrative Support	\$ 14,000	\$ 14,000	\$ 9,547.20
Insurance; Office Supplies & Other Direct Costs	\$ 7,500	\$ 7,500	\$ 5,688.82
Database/Mapping Application Maintenance	\$ 5,250	\$ 5,250	
Additional Projects/Activities			
Storage Project Evaluation	\$ 100,000	\$ 85,000	
TOTALS	\$ 805,070	\$ 720,970	\$ 184,972.50

Proposed 2018 Annual Budget

**Watermaster Board Meeting
November 27, 2017**

2018 Budget Assumptions

- Starting May 2018 Public Agencies Adjusted Base Production Rights will be reduced by 7.2% from the current levels.
- Carry-over accounts will be used to offset any excess production in 2017 - No Replenishment Assessments will be collected in 2018.
- Replenishment Assessment will be set in early 2018 (if required).
- 2018 Administrative Assessments are estimated based on actual 2016/2017 production data.
- Coordinated projects with EMWD:
 - Groundwater Monitoring Program.
 - Video Inspection of Well Casings (continued from 2017).
 - Evaluation of the EMWD's proposed recharge project.
 - Soboba Gravel Pit Dewatering (if needed).
- Continued operation from the Corona office.

Estimated 2018 Administrative Assessments

Agency	2018 Adjusted BPR (AFY)	Projected 2018 Production (AF) *	Est. Prod. Subject to Admin. Assmt. (AF) **	2018 Est. Admin. Assmt. (\$) ***
City of Hemet	4,613	3,523	2,623	\$78,685
City of San Jacinto	3,044	2,572	1,672	\$50,160
EMWD	7,470	6,563	4,563	\$136,889
LHMWD	7,563	7,999	7,563	\$226,897
Totals	22,691	20,657	16,421	\$492,631

AF = Acre-feet
Assmt. = Assessment
Est. = Estimated

AFY = Acre-feet per year
BPR = Base Production Rights
Prod. = Production

* 2018 Production Projections are based on Jan-Sept 2017 and Oct-Dec 2016 productions.

** The Cities of Hemet and San Jacinto can produce 900 AFY without any Admin. Assessment payment and EMWD is expected to use Pre-2012 recharge credits.

*** Based on Admin. Assessment rate of \$30/AF

Estimated Replenishment for 2018

Agency	Modified BPR for 2017 (AFY)	Estimated 2017 Production	Estimated 2017 Prod. Above/(Below) Adjusted BPR	Estimated 2018 Repl. (AF)
City of Hemet	4,898	3,523	(1,375)	0
City of San Jacinto	3,209	2,572	(637)	0
EMWD	8,043	6,563	(1,480)	0
LHMWD	8,144	7,999	(146)	0
Totals	24,295	20,657	-3,638	0

AF = Acre-feet
BPR = Base Production Rights
Repl. = Replenishment

AFY = Acre-feet per year
Prod. = Production

Estimated 2018 Total Assessments

Agency	2018 Est. Admin. Assessments *	2018 Est. Replenishment Assessments	2018 Est. Total Assessments
City of Hemet	\$78,685	\$0	\$78,685
City of San Jacinto	\$50,160	\$0	\$50,160
EMWD	\$136,889	\$0	\$136,889
LHMWD	\$226,897	\$0	\$226,897
Totals	\$492,631	\$0	\$492,631

• Based on Admin. Assessment rate of \$30/AF

Est. = Estimated

Proposed Payment Schedule

- **2018 Administrative Assessment Invoicing:**
 - 25% of total by July 15, 2018.
 - 50% of total by October 15, 2018.
 - The remaining balance will be reconciled and invoiced by March 1, 2019.
- **2018 Replenishment Assessment Invoicing (if required - for 2017 excessive production):**
 - Full 100% will be invoiced by May 1, 2018.

2018 Activities/Projects

- Complete the 2017 Financial Audit
- Complete the 2017 Annual Report and file it with the Court.
- File the required 2017 information with DWR as part of the Sustainable Groundwater Management Act requirements.
- Review and update the property owners list.
- If required, set and initiate collection of Replenishment Assessment from the Parties.
- Coordinated activities with EMWD/TAC:
 - 2017 Annual Report;
 - Evaluation of Video Inspection of well casings and Groundwater Monitoring Program Enhancement;
 - Finalize Evaluation and Approval of the Storage Agreement for the proposed EMWD recharge project; and
 - Initiate Gravel Pit dewatering project (if required).

Proposed 2018 Budget

Budget Items	2017 Budget (Approved on Nov 28, 2016)	Projected Updated 2017 Expenditures (Aug 28, 2017)	Proposed Draft 2018 Budget
Agreements			
In-Lieu Program Agreement	\$ 189,000	\$ 189,000	\$ 211,000
Coordinated Efforts with EMWD			
Groundwater Monitoring Program	\$ 156,220	\$ 156,220	\$ 156,220
Video Inspection of Well Casings	\$ 60,000	\$ 60,000	-
Gravel Pit Cleanup Project			
Dewatering	\$ 57,600	-	\$ 57,600
Organization Operations & Management			
Financial Support Services	\$ 10,500	\$ 9,000	\$ 8,500
Legal Counsel Services	\$ 35,000	\$ 30,000	\$ 30,000
Advisor Services	\$ 170,000	\$ 165,000	\$ 165,000
Administrative Support Services	\$ 14,000	\$ 14,000	\$ 14,000
Insurance; Office Supplies; and Other Direct Costs	\$ 7,500	\$ 7,500	\$ 10,000
Database/Mapping Application Maintenance	\$ 5,250	\$ 5,250	\$ 5,250
Additional Projects/Activities			
Storage Project Evaluation	\$ 100,000	\$ 85,000	-
TOTALS	\$805,070	\$ 720,970	\$657,570

Reserve Funds Impact

Revenue/Expenditures	Totals
Proposed 2018 Budget	\$ 657,570
2018 Estimated Administrative Assessments (Based on \$30/AF)	\$ 492,631
Budget Shortfall	\$ 164,939

Recommendation

- Set Administrative Assessment at \$30/acre-foot for 2018.
- Consider approving the proposed 2018 Budget.
- Use reserve funds to offset excess expenditures proposed under 2018 Budget.
- Authorize Advisor to:
 - Initiate the proposed activities/projects.
 - Invoice participating agencies in accordance with the proposed schedule.

HEMET-SAN JACINTO WATERMASTER

RESOLUTION NO. 9.3

**RESOLUTION OF THE WATERMASTER BOARD
RE ADMINISTRATIVE ASSESSMENT FOR 2017**

WHEREAS, the Judgment in Eastern Municipal Water District vs. City of Hemet, et al., requires the Watermaster to set the Administrative Assessment rate annually;

WHEREAS, the Watermaster has adopted a budget for 2018, and an Administrative Assessment of \$30.00 is needed to support the budget;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Administrative Assessment is set at \$30.00 per acre-foot of a Party's Adjusted Production Right pumping during 2018.

ADOPTED THIS 27th day of November, 2017

Linda Krupa, Chairperson

ATTEST:

Philip E. Paule, Secretary

**HEMET-SAN JACINTO WATERMASTER
RESOLUTION NO. 8.1**

**RESOLUTION OF THE WATERMASTER BOARD
RE DEFERRAL OF REPLENISHMENT ASSESSMENT**

WHEREAS, the Judgment in Eastern Municipal Water District vs. City of Hemet, et al., requires the Watermaster to levy Replenishment Assessments on each Public Agency and Class B Participant, and

WHEREAS, the Public Agencies have been using their Carry-over Credits to offset any production above their Adjusted Base Production Rights, and Class B Participants have had groundwater productions less than their Base Production Rights. Watermaster has not yet purchased any Replenishment Water to offset productions above any of the Judgment assigned production limits for recharge of the Basin.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Replenishment Assessments are hereby deferred until after February of 2019.

ADOPTED THIS 27th day of November 2017

Linda Krupa, Chairperson

ATTEST:

Phil Paule, Secretary

December 2016 Carry-Over Credits Revisions/Corrections

Hemet-San Jacinto Watermaster Board Meeting

November 27, 2017

2016 Public Agencies Groundwater Productions

Presented at the May 22, 2017 Board Meeting

(All Values in AF)

Agency	Adjusted BPR for 2016	Actual 2016 Productions	Production via Phase I Agreement Wells *	Excess Production Above Adjusted BPR	Unused Adjusted BPR
City of Hemet	5,199	3,631	221	0	1,568
City of San Jacinto	3,383	2,157	0	0	1,226
EMWD	8,758	6,171	3585	0	2,586
LHMWD	8,649	7,144	1624	0	1,505
Totals	25,989	19,103	5,430	0	6,885

Data shaded in yellow need to be revised/corrected

* Includes All Deliveries by EMWD to Other Agencies

BPR = Base Production Rights

Public Agencies Carry-Over Credits as of December 31, 2016

Presented at the May 22, 2017 Board Meeting

(All Values in AF)

Agency	Pre 2012 Recharge Rights as of Dec. 31, 2016	* Total Unused SbT Imported Water as of Dec 31, 2016	Total Unused Adjusted BPR (AF) as of Dec 31, 2016	Totals as of Dec 31, 2016	Future MWD Deliveries to Cover Obligations
City of Hemet	0	5,766	6,274	12,039	1,186
City of San Jacinto	0	3,894	4,331	8,225	756
EMWD	4,694	616	11,905	17,215	2,039
LHMWD	0	4,164	3,568	7,732	2,069
Totals	4,694	14,440	26,078	45,212	6,050

Data shaded in yellow need to be revised/corrected

* Unused Soboba Tribe Imported Water include Soboba Tribe production from Soboba Golf Course wells.

BPR = Base Production Rights

SbT = Soboba Tribe

2016 Public Agencies Groundwater Productions

Revised as of November 2017

(All Values in AF)

Agency	Adjusted BPR for 2016	Actual 2016 Productions	Production via Phase I Agreement Wells *	Excess Production Above Adjusted BPR	Unused Adjusted BPR
City of Hemet	5,199	3,631	221	0	1,568
City of San Jacinto	3,383	2,157	0	0	1,226
EMWD	8,649	6,171	3585	0	2,477
LHMWD	8,758	7,144	1624	0	1,614
Totals	25,989	19,103	5,430	0	6,885

* Includes All Deliveries by EMWD to Other Agencies

BPR = Base Production Rights

Public Agencies Corrected Carry-Over Credits as of December 31, 2016

Revised as of November 2017

(All Values in AF)

Agency	Pre 2012 Recharge Rights as of Dec. 31, 2016	* Total Unused SbT Imported Water as of Dec 31, 2016	Total Unused Adjusted BPR (AF) as of Dec 31, 2016	Totals as of Dec 31, 2016	Future MWD Deliveries to Cover Obligations
City of Hemet	0	5,766	6,274	12,039	1,186
City of San Jacinto	0	3,894	4,331	8,225	756
EMWD	4,694	616	11,796	17,107	2,039
LHMWD	0	4,164	3,677	7,841	2,069
Totals	4,694	14,440	26,078	45,212	6,050

* Unused Soboba Tribe Imported Water include Soboba Tribe production from Soboba Golf Course wells.

BPR = Base Production Rights

SbT = Soboba Trib

Class B Participants Carry-Over Credits (as of December 31, 2016)

Legal Owner Name	Base Prod. Alloc.	Total Prod. Below Alloc. as of December 2015	2016 Prod.	Total Prod. Below Alloc. as of Dec. 2016	Total Prod. Above Alloc. as of Dec. 2016
Cordero Family Trust	1398	2141	509	3030	
Gless Trust Pt.	588	1087	77	1598	
Gless Family Trust	1505	2780	197	4088	
Olsen Robert D & Olsen Elva I.	14	7	8	13	
Olsen Citrus LLC	37	18	22	34	
Arlington Veterinary Laboratories Inc.	105	52	62	95	
Oostdam Peter G & Jacoba M & John P & Margie K.	259	572	97	734	
San Jacinto Fund LLC	596	1788	0	2384	
Record Randolph A & Record Anne M.	46	126	0	171	
Sybrandy Investment Co. LP	1182	2310	370	3122	
Boersma Eric & D Family Trust	195	798	167	826	
Curci San Jacinto Investors LLC	260	780	0	1040	

**Class B Participants Carry-Over Credits
(as of December 31, 2016)
(Cont.)**

Legal Owner Name	Base Prod. Alloc.	Total Prod. Below Alloc. as of Dec. 2015	2016 Prod.	Total Prod. Below Alloc. as of Dec. 2016	Total Prod. Above Alloc. as of Dec. 2016
Nuevo Dev Co. LLC	151	453	0	604	
Security Title Insurance Co.	1	0	0	0	
Lauda Family Ltd Partnership	3299	1192	696	1045	
Lauda Bertrand & Lauda Erma J.	147	53	31	47	
Rancho Diamante Inv.	92	226	0	318	
Diamante Rancho	50	123	0	173	
San Jacinto Spice Ranch Inc.	265	726	0	991	
Scott Ag Property	1755	449	128	1198	
Vandam Donald Dick and Vandam Frances L.	531	798	121	1209	
Vandam Glen A and Vandam Jennifer A.	139	325	49	415	
Velde Children Trust & Pastime Lake Inv. (Combined)	357	115	359	114	

Recommendation

**Receive and File the Revised 2016
Carry-Over Credit Accounts Summary
Data**

Questions...

**EASTERN MUNICIPAL WATER DISTRICT/HEMET-SAN JACINTO WATERMASTER
HEMET/SAN JACINTO WATER MANAGEMENT PLAN AREA
ESTIMATED 2017 WELL VIDEO MONITORING COSTS**

Description	Cost	Unit	No.	Units	Sub-Totals
1 - Field Labor					
1.1 Field Labor (video 3 wells per day) (179 wells)	\$875.00	per day for 1	60	days	\$52,500.00
Labor Total Cost					\$52,500.00
2 - Office Labor					
2.1 Office Labor (review well videos and update database) (179 wells)	\$125.00	per hour	60	hours	\$7,500.00
Office Labor Cost					\$7,500.00
Estimated Total Project Cost (1)					\$60,000.00

Position	Hourly Rate (2)
Director	\$167.00
Senior Engineering Geologist	\$156.00
Water Resources Planning Manager	\$125.00
Civil Engineering Associate II	\$109.00
Senior Engineering Technician	\$87.00
Water Resources Technician III	\$94.00
Water Resources Technician II	\$81.00
Average Senior Staff	\$149.33
Average Technical Staff	\$98.00
Average Field Staff	\$87.50

(1) H-SJ Watermaster will be invoiced for actual activities performed.

(2) Based on 2017 FEE SCHEDULE (EXHIBIT A)

**EXHIBIT A
EASTERN MUNICIPAL WATER DISTRICT
FEE SCHEDULE**

(This fee schedule is subject to annual revisions due to labor adjustments.)

	<u>Hourly Rate</u>
MANAGERIAL	
Deputy General Manager (02002-DGM)	\$ 277.00
Assistant General Manager (02005-AGM)	258.00
Director (02030-97)	167.00
 ENGINEERS/TECHNICAL	
Senior Civil Engineer (22007-96)	156.00
Senior Engineering Geologist (28011-96)	156.00
Civil Engineer I/II (22027-94)	135.00
Water Res Planning Manager (28007-93)	125.00
Civil Engineering Associate I/II (22010-91)	109.00
Water Resources Technician III (28018-89)	94.00
Sr. Engineering Technician (22013-88)	87.00
Water Resources Technician II (28016-87)	81.00
 FINANCIAL	
Accounting Supervisor (06003-91)	109.00
Senior Accountant (06004-89)	94.00
Accountant (06005-88)	87.00
Accounting Operations Spvr (06007-86)	76.00
Accounting Technician I/II (06009-83)	66.00
 ADMINISTRATIVE	
Executive Assistant (18005-86)	76.00
Administrative Assistant I/II (18006-84)	69.00
 DIRECT EXPENSES	
Direct Costs	at cost

Legend: Position Title (Job Code-Salary Range)
 Hourly Rate = (Annual Salary[max range]) * (1.82 fully burdened) / (1,700 hrs/yr)

TASK ORDER NO. 10

HEMET-SAN JACINTO WATERMASTER SUPPORT SERVICES 2017 Water Resources Well Video Program Support

This Task Order is issued by the Hemet-San Jacinto Watermaster (“Watermaster”), a judicial creation of the Superior Court of the State of California in and for the County of Riverside through the Judgment entered on April 18, 2013, and accepted by EASTERN MUNICIPAL WATER DISTRICT (“EMWD”), a California municipal water district pursuant to the mutual covenants and conditions contained in the AGREEMENT between the above named parties dated _____, 2017 in connection with the Hemet-San Jacinto Watermaster Support Services.

PURPOSE

The purpose of this Task Order is to describe EMWD’s 2017 Water Resources Well Video Program Support services, time of performance, payment, and effective date to provide such services for the Watermaster.

SCOPE OF SERVICES

The purpose of the Water Resources Well Video Program (“Well Video Program”) is to collect, analyze, and compile well construction data to improve the quality of the Water Resources Monitoring Program. The Monitoring Program provides the information necessary for a comprehensive view of the groundwater management zones and includes the following elements:

- Groundwater Extraction Monitoring
- Groundwater Level Monitoring
- Water Quality Monitoring

Well construction data, in particular “total well depth” and “casing perforated intervals”, will be used to quantify where each well is drawing from the aquifer and identify redundancy in monitoring wells. The information gained from these efforts will be used to support the Watermaster Board decisions.

By undertaking an extensive well construction data gathering effort, all parties involved in the Watermaster can be assured that operational yield estimates are based on the best available information. Implementation of well video effort will augment the Enhanced Groundwater Monitoring Program Report recommendations to revise the number of wells being monitored, the database used in decisions made by the Watermaster, and contribute to successful management of the groundwater management zones.

TASK 1.0 – Field Labor

Field labor involves placing a well camera down each well to record and document depth of perforations in the well casing and total well depth.

Well videos from one-hundred seventy-nine (179) wells will be recorded by EMWD field staff following the above protocol under this Task Order.

TASK 2.0 – Office Labor

Office labor consists of reviewing each well video to confirm depth of perforations in the well casing and total well depth, and data entry into EMWD’s Regional Water Resources Database (RWRD).

Well videos from one-hundred seventy-nine (179) wells will be reviewed by EMWD office staff and the well construction data entered into EMWD’s RWRD under this Task Order.

TIME OF PERFORMANCE

EMWD’s goal is to complete at least 25 well videos per month prioritized to support the Watermaster’s Enhanced Groundwater Monitoring Program. EMWD shall record videos of each well identified and enter appropriate data into RWRD by June 30, 2018. Well videos and RWRD files will be made available to the Advisor by providing a GIS map and an excel file documenting all the wells’ depth of perforations in the well casing and total well depths as part of this Task Order.

INVOICING

The costs of this Task Order will be borne by the 2017 Watermaster Budget. The annual cost of the Well Video Program is estimated at Sixty Thousand Dollars (\$60,000) based on the Fee Schedule (Exhibit A) and Estimated Work Effort (Exhibit B). Payment for the work under this Task Order shall be based on Table 1 with invoicing to be sent upon completion of the work, which amount shall not exceed without prior written authorization from Watermaster.

Table 1: Estimated Well Video Program Costs

Category	Costs
1 – Field Labor	\$ 52,500
2 – Office Labor	\$ 7,500
Total Program Costs	\$ 60,000

TERMINATION

Either Party may terminate this Task Order at any time by giving the other party thirty (30) days written notice. Upon termination, EMWD shall be paid for that portion of the work performed through termination of the Task Order.

EFFECTIVE DATE

This Task Order No. 10 is effective as of January 1, 2017.

IN WITNESS WHEREOF, duly authorized representatives of the Watermaster and of the EMWD have executed this Task Order No. 10 evidencing its issuance by Watermaster and acceptance by EMWD.

Hemet-San Jacinto Watermaster

By: _____
Linda Krupa
Chairperson

ATTEST:

Approved as to Form:

By: _____
Phil Paule
Board Secretary-Treasurer

By: _____
Thomas Bunn
General Counsel

EASTERN MUNICIPAL WATER DISTRICT

By: _____
Paul D. Jones II
General Manager

ATTEST:

Approved as to Form:

By: _____
Sheila Zelaya
Board Secretary

By: _____
Steven O'Neil
General Counsel



Soboba Settlement Recharge Update

Kelley Gage

November 27, 2017

Total Soboba Settlement Recharge

Weekly Imported Raw Water Recharge Report

Recharge Totals for Week Ending November 19, 2017

Water Resources Management Group

November End of Month (EOM) / Month to Date (MTD) Status Update				2017 End of Year (EOY) / Year to Date (YTD) Status Update			
	Grant	IRRP	Total		Grant	IRRP	Total
Previous MTD Recharge (AF)	323.6	364.9	688.5	Previous YTD Recharge (AF)	5,205.5	11,558.3	16,763.8
Weekly Total (AF)	3.1	321.0	324.1	Weekly Total (AF)	3.1	321.0	324.1
Current MTD Recharge (AF)	326.7	685.9	1,012.6	Current YTD Recharge (AF)	5,208.6	11,879.3	17,087.9
EOM Recharge Goal (AF)	600.0	1,390.0	1,990.0	EOY Recharge Goal (AF)	5,200.0	14,820.0	20,020.0
Recharge to EOM Goal (AF)	273.3	704.1	977.4	Recharge to EOY Goal (AF)	0.0	2,940.7	2,940.7
Avg Rate - Past Week (gpm)	100.9	10,376.8	10,477.7	Avg Rate - Past Week (gpm)	100.9	10,376.8	10,477.7
Avg Rate to Goal (gpm)	5,621.8	14,484.3	20,106.1	Avg Rate to Goal (gpm)	0.0	15,843.8	15,843.8
Avg Rate - Past Week (cfs)	0.2	23.1	23.3	Avg Rate - Past Week (cfs)	0.2	23.1	23.3
Avg Rate to Goal (cfs)	12.5	32.3	44.8	Avg Rate to Goal (cfs)	0.0	35.3	35.3

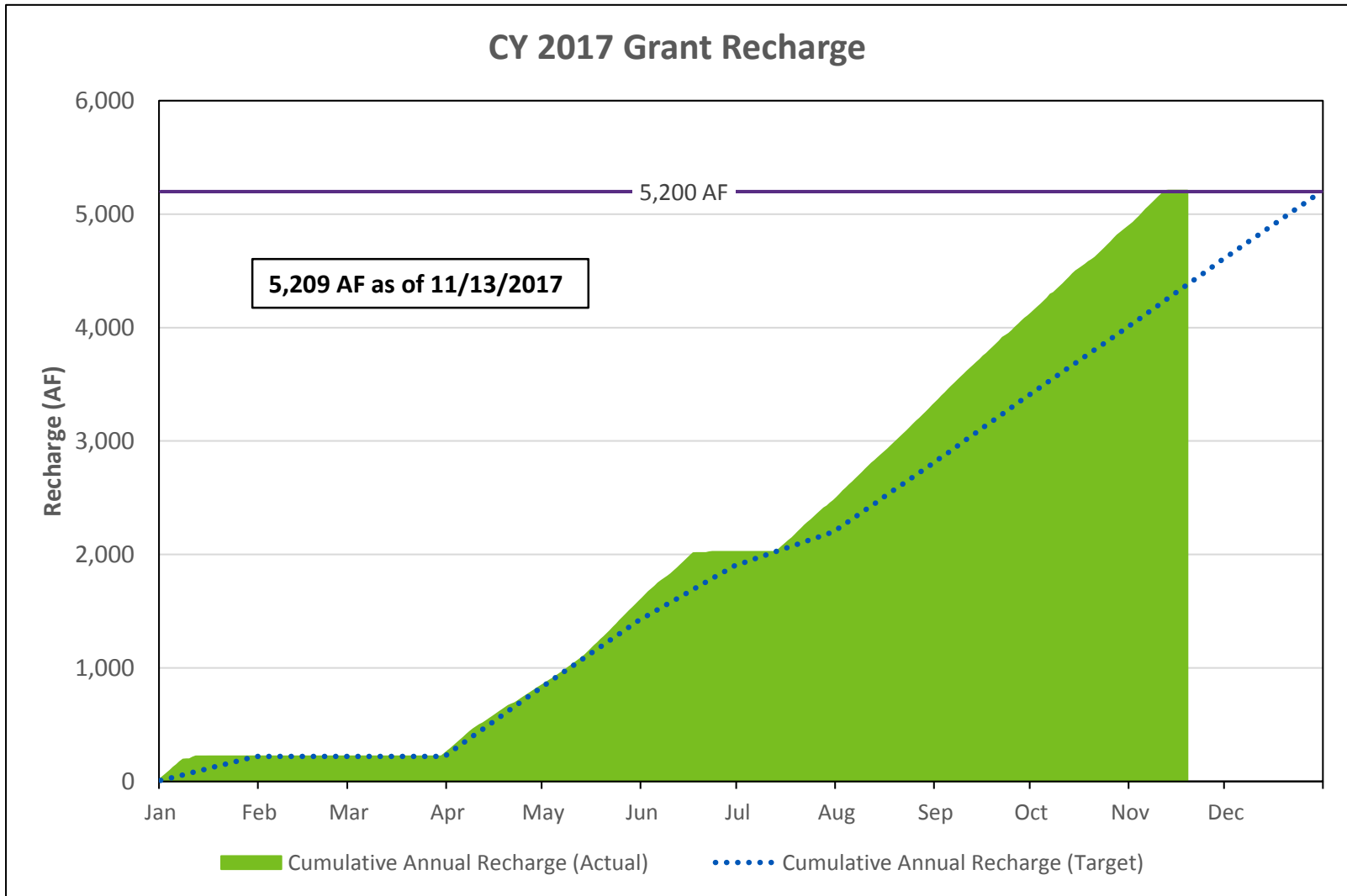
Daily Recharge Statistics							
	Mon (11/13)	Tue (11/14)	Wed (11/15)	Thu (11/16)	Fri (11/17)	Sat (11/18)	Sun (11/19)
IRRP South Recharge (AF)	24.1	26.9	34.3	40.2	41.5	42.7	0.0
IRRP South Avg Flow (gpm)	5,453.5	6,087.1	7,761.6	9,096.7	9,390.8	9,662.4	0.0
IRRP South Avg Flow (cfs)	12.2	13.6	17.3	20.3	20.9	21.5	0.0
IRRP North Recharge (AF)	31.1	21.7	10.3	13.4	10.9	23.9	0.0
IRRP North Avg Flow (gpm)	7,037.5	4,910.4	2,330.7	3,032.2	2,466.5	5,408.2	0.0
IRRP North Avg Flow (cfs)	15.7	10.9	5.2	6.8	5.5	12.0	0.0
Grant Recharge (AF)	3.1	0.0	0.0	0.0	0.0	0.0	0.0
Grant Avg Flow (gpm)	706.0	0.0	0.0	0.0	0.0	0.0	0.0
Grant Avg Flow (cfs)	1.6	0.0	0.0	0.0	0.0	0.0	0.0
Total Recharge (AF)	58.3	48.6	44.6	53.6	52.4	66.6	0.0
Total Average Flow (gpm)	13,197.0	10,997.5	10,092.3	12,128.9	11,857.4	15,070.6	0.0
Total Average Flow (cfs)	29.4	24.5	22.5	27.0	26.4	33.6	0.0
High / Low Temp (°F)	79/49	79/39	79/46	77/48	70/55	77/45	75/34
Weather Conditions	Fog/Passing Clouds	Sunny/Sunny	Sunny/Passing Clouds	Passing Clouds/Passing Clouds	Light Rain/Sunny	Sunny/Sunny	Sunny/Sunny

Raw Water Pipeline Supplies / Demands							
	Mon (11/13)	Tue (11/14)	Wed (11/15)	Thu (11/16)	Fri (11/17)	Sat (11/18)	Sun (11/19)
EM-14 (cfs)	44.8	45.7	46.3	45.5	45.1	43.9	41.0
EM-14 (% of Capacity)	94%	96%	98%	96%	95%	92%	86%
HWFP Finished Water (cfs)	6.1	6.1	6.1	6.1	6.1	6.2	6.2
LHMWD - Marshall St (cfs)	8.7	11.9	16.2	12.6	10.9	5.4	0.8

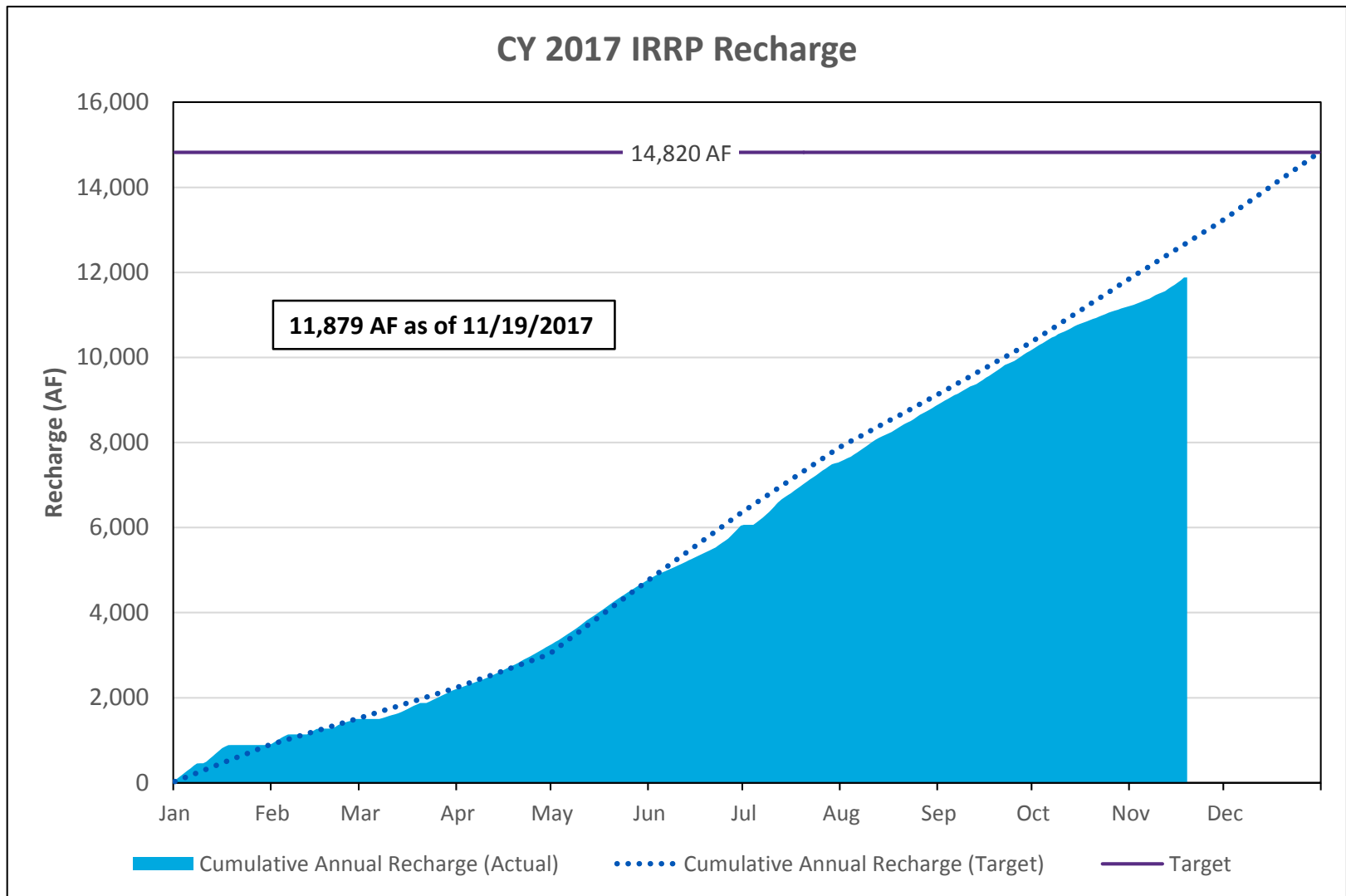
Notes / Plan for Current Week

- (1) Recharge at the Grant Avenue Ponds reached the end of year 5,200 AF target, all recharge has been shifted to the IRRP Ponds
- (2) Water Resources Tech Position Open 10/9/2017

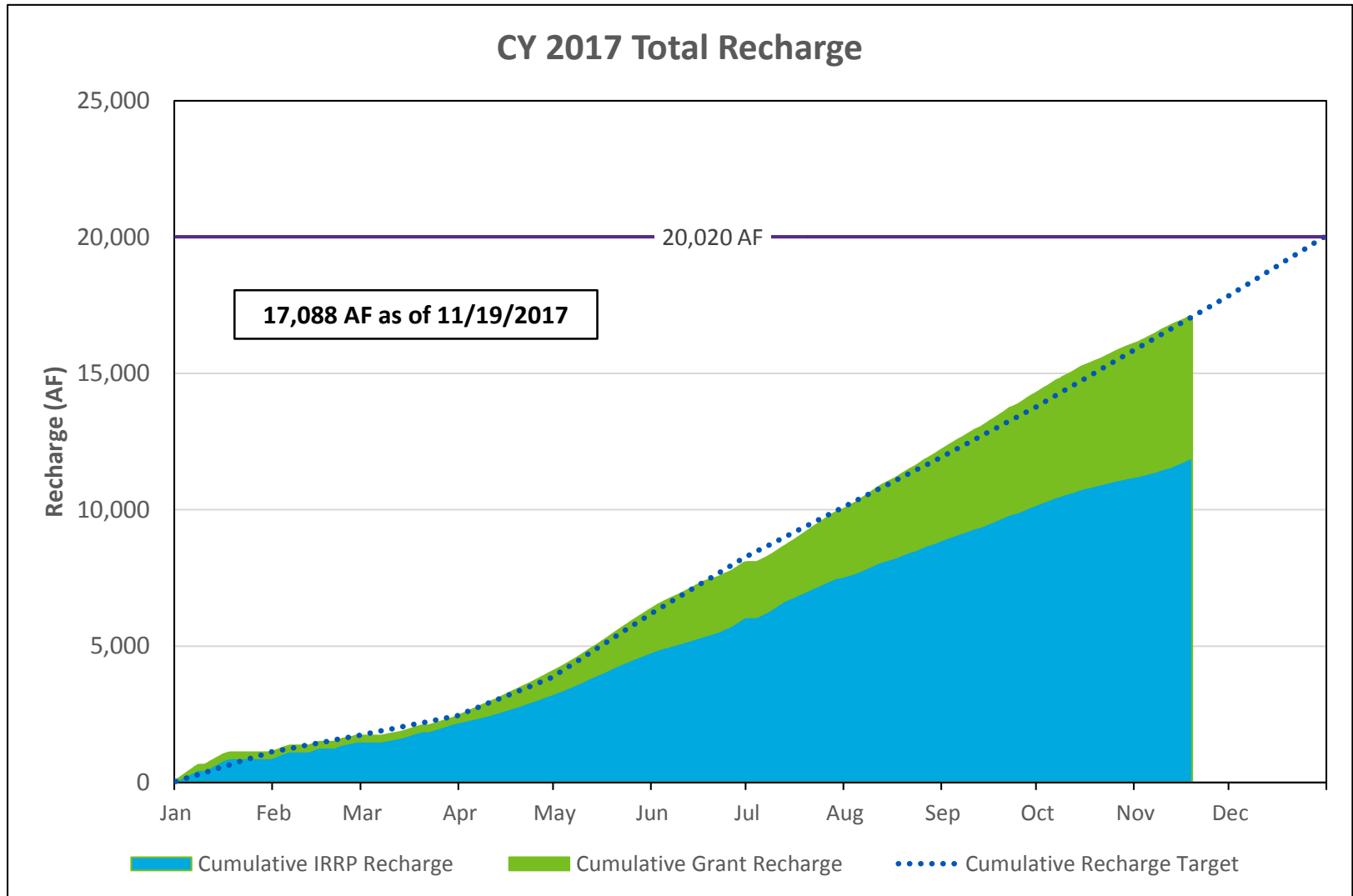
Soboba Recharge at Grant Ponds to Date for 2017



Soboba Recharge at IRRP Ponds to Date for 2017

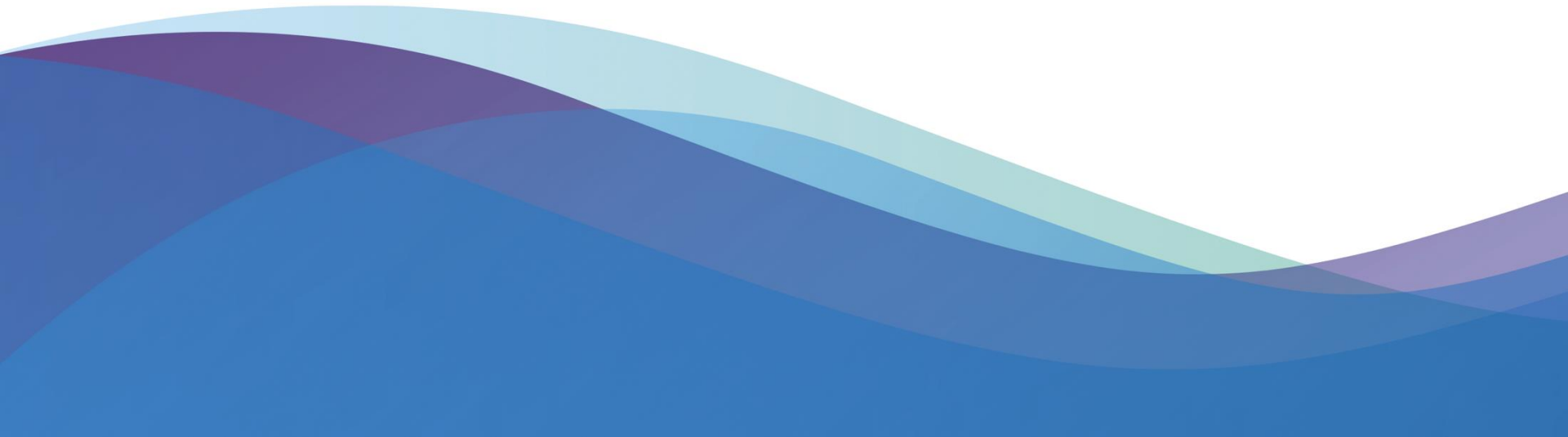


Total Soboba Recharge to Date for 2017





Photos



Recharge at Grant Ponds – Completed 11/13/2017



Recharge at IRRP - Continues



Silt Removal at Grant Ponds



This year the river diversions added a significant amount of silt to the first few ponds

Silt Removal at Grant Ponds





Projected Deliveries for 2018



Projected Deliveries for 2018

DRAFT

Projected EM-14 Deliveries (AF) for CY 2018					
	Hemet Water Filtration Plant	Agricultural Customers	Lake Hemet Municipal Water District	Estimated Soboba Recharge for 2018	TOTAL
January *	300	0	0	2,300	2,600
February *	300	0	0	2,050	2,350
March *	300	10	0	2,290	2,600
April *	300	10	0	2,210	2,520
May	300	20	200	2,080	2,600
June	300	40	300	1,880	2,520
July	400	40	500	1,660	2,600
August	400	50	500	1,650	2,600
September	400	50	500	1,570	2,520
October	400	40	400	1,760	2,600
November *	300	20	300	1,900	2,520
December *	300	20	300	1,980	2,600
TOTAL	4,000	300	3,000	23,330	30,630

* = Recharge may be a lower amount due to wet weather



Contact Information

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